

FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329 (916) 322-5660 • Fax (916) 322-0886

June 1, 2010

Mary Adér State Capitol

REDACTED

Warning Letter Re: FPPC No. 10/305, Mary Ader

Dear Ms. Adèr:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act"), found in Government Code section 81000, et seq. This letter is in response to a proactive investigation begun against you by the FPPC that alleged you accepted a gift in excess of the limits.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that you accepted a gift from the California HealthCare Foundation in 2008 of travel and meals valued at \$747. This gift exceeded the gift limit for calendar year 2008, which was \$390. However, we also determined that you were unaware that the Foundation was a 501(c)(4) and not a 501(c)(3). The Act distinguishes between tax exempt organizations that are 501(c)(3) and those that are 501(c)(4). (Section 89506, subdivision (a)(2).) Thus, you were unaware that the gift of travel from California HealthCare Foundation, a 501(c)(4) tax-exempt organization, was subject to limits. Once you were made aware of the true status of the California HealthCare Foundation, you immediately paid down the amount of the gift to put it under the \$390 gift limit and filed an amended statement of economic interests accurately reporting the gift.

The Act provides that no member of a state board or commission or designated employee of a state or local government agency shall accept gifts from any single source in any calendar year with a total value of more than (\$250) if the member or employee would be required to report receipt of income or gifts from that source on his or her statement of economic interests.

The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18110 through 18997 of fille 2 of the California Code of Regulations. All regulatory references are to Fitle 2. Division 6 of the California Code of Regulations, unless otherwise indicated.

(Section 89503, subdivision (c).) The \$250 gift limit is adjusted biennially to reflect changes in the Consumer Price Index, pursuant to Section 89503, subdivision (f). For calendar year 2008, the applicable gift limit was \$390 from a single source in a calendar year.

Your actions violated the Act because you accepted a gift in excess of \$390. However, due to the mitigating circumstances previously identified, we have decided to close this case with a warning letter.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide you with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If you wish to avail yourself of these proceedings by requesting that your case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

If you have questions regarding this matter, please contact Adrianne Korchmaros at (916) 322-8241.

Sincerely,

REDACTED

Gary S. Winuk, Chief Enforcement Division

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ce: William Phillips, Treasurer and Board Member for Petaluma Tomorrow